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**Exhibit 28**

**Bitcoin USD (BTC-USD)**

CCC - CoinMarketCap. Currency in USD

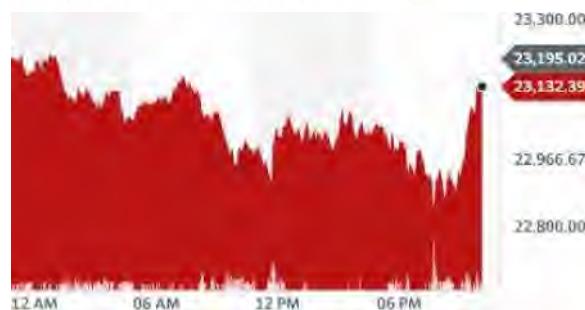
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Visitors trend 2W ↓ 10W ↑ 9M ↑

Quote Lookup

**23,136.70 +24.57 (+0.11%)**

As of 11:09PM UTC. Market open.

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Data provided by CoinMarketCap

Previous Close	23,195.02	Market Cap	446.577B
Open	23,195.02	Circulating Supply	19.30M
Day's Range	22,863.38 - 23,201.94	Max Supply	N/A
52 Week Range	15,599.05 - 48,086.84	Volume	16,013,168,640
Start Date	2013-04-28	Volume (24hr)	16.01B
Algorithm	N/A	Volume (24hr) All Currencies	16.01B

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**US stocks close lower to wrap up losing week as hot inflation data jolts markets**

The drop on Friday follows higher-than-expected core PCE data. The two-year Treasury yield neared its highest level since 2007.

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**Exhibit 29**

**HIVE Blockchain Technologies Ltd. (HIVE)**

NasdaqCM - NasdaqCM Real Time Price. Currency in USD

[Follow](#)[Quote Lookup](#)**2.6700 -0.1700 (-5.99%) 2.7400 +0.07 (+2.62%)**

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**Chart Events** **Bearish** pattern detected[View all chart patterns](#)

Previous Close	<b>2.8400</b>	Market Cap	<b>223.657M</b>
Open	<b>2.7900</b>	Beta (5Y Monthly)	<b>4.44</b>
Bid	<b>2.6600 x 3100</b>	PE Ratio (TTM)	<b>N/A</b>
Ask	<b>2.7500 x 1800</b>	EPS (TTM)	<b>-2.9000</b>
Day's Range	<b>2.5700 - 2.8000</b>	Earnings Date	<b>Feb 21, 2023</b>
52 Week Range	<b>1.3600 - 11.7000</b>	Forward Dividend & Yield	<b>N/A (N/A)</b>
Volume	<b>1,334,461</b>	Ex-Dividend Date	<b>N/A</b>
Avg. Volume	<b>1,273,239</b>	1y Target Est	<b>4.98</b>

**Fair Value** **XX.XX****Undervalued**

19% Est. Return

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**RETRANSMISSION: HIVE Announces Quarterly Revenue of \$14.3 Million, Gross Mining Margin of...**

Vancouver, British Columbia--(Newsfile Corp. - February 21, 2023) - HIVE Blockchain Technologies Ltd. (TSXV: HIVE) (NASDAQ: HIVE) (FSE: HIVE) (OTCQX: HIVEF) (the "Company") is pleased to announce its financial results for the fourth quarter and year ended December 31, 2022.

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**Motley Fool Issues "All In" Buy Alert**

5 years from now, you'll probably wish you'd grabbed this stock.

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<https://finance.yahoo.com/quote/HIVE/>**Ad Hoc Equity Group Exhibit 29****SASME EXHIBIT 25****909 of 979**

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Adjusted EBITDA	Vancouver, British Columbia--(Newsfile Corp. - February 21, 2023) - HIVE Blockchain Technologies Ltd. (TSXV: HIVE) (NASDAQ: HIVE) (FSE:...	-0.10
Depreciation		-0.20
Net loss from continuing operations		-0.30
		-0.40
		-0.50
		-0.60
		-0.70
		-0.80
		-0.90
		-1.00
		-1.10

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**HIVE Blockchain Announces Late Filing of Interim Financial Statements**  
VANCOUVER, British Columbia, Feb. 15, 2023 (GLOBE NEWSWIRE) -- HIVE Blockchain Technologies Ltd. (TSXV:HIVE) (Nasdaq: HIVE) (FSE:...

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**Annual**   **Quarterly**   **Revenue**   **Earnings**

Year	Revenue (\$M)	Earnings (\$M)
2019	~20	~-100
2020	~30	~-50
2021	~60	~10
2022	~180	~50

**Recommendation Trends >**

Month	Strong Buy	Buy	Hold	Underperform	Sell
Nov	2	1	1	0	0
Dec	3	2	0	0	0
Jan	3	1	2	0	0
Feb	6	2	1	2	1

**Recommendation Rating >**

Rating	Score
1 Strong Buy	1.7
2 Buy	2
3 Hold	3
4 Underperform	4
5 Sell	5

**Analyst Price Targets (3) >**

Average 4.98

**SASMF EXHIBIT 25** High 7.00  
Current 2.67

Suite 855  
Vancouver, BC V6C 1H2  
Canada

<https://www.hiveblockchain.com>

Sector(s): Financial Services

Industry: Capital Markets

Full Time Employees: 18

HIVE Blockchain Technologies Ltd. operates as a cryptocurrency mining company in Canada, Sweden, and Iceland. It engages in the mining and sale of digital currencies, including Ethereum, Ethereum Classic, and Bitcoin. The company was formerly known as Leeta Gold Corp. and changed its name to HIVE Blockchain Technologies Ltd. in September 2017. HIVE Blockchain Technologies Ltd. was incorporated in 1987 and is headquartered in Vancouver, Canada.

[More about HIVE Blockchain Technologies Ltd.](#)

#### HIVE vs Sector

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 HIVE  Sector - Financial Services

Innovation

Dividends

Hiring

Earnings

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### Why Riot Platforms, Hut 8 Mining Corp, and HIVE Blockchain Technologies Are Volatile Today

Shares of the Chinese Bitcoin miner Riot Platforms (NASDAQ: RIOT) traded more than 10% higher earlier today. Shares of Hut 8 Mining...



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In this article, we will discuss the 13 best blockchain stocks to buy now. If you want to skip our analysis of the blockchain industry and...


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**Exhibit 30**

**Marathon Digital Holdings, Inc. (MARA)**

NasdaqCM - NasdaqCM Real Time Price. Currency in USD

Follow

Visitors trend 2W ↓ 10W ↑ 9M ↑

Quote Lookup

**6.67 -0.61 (-8.38%) 6.54 -0.13 (-1.95%)**

At close: February 24 04:00PM EST

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**Chart Events**

Bullish pattern detected

Price Crosses Moving Average

View all chart patterns

Previous Close	7.28	Market Cap	779.336M
Open	6.98	Beta (5Y Monthly)	5.11
Bid	6.53 x 3200	PE Ratio (TTM)	N/A
Ask	6.54 x 2200	EPS (TTM)	-2.23
Day's Range	6.51 - 7.17	Earnings Date	Feb 28, 2023
52 Week Range	3.11 - 32.74	Forward Dividend & Yield	N/A (N/A)
Volume	25,465,542	Ex-Dividend Date	N/A
Avg. Volume	29,523,340	1y Target Est	12.33

**Fair Value** **XX.XX**  
Overvalued

View details

**Performance Outlook**

Short Term	Mid Term	Long Term
2W - 6W	6W - 9M	9M+

Market Cap	779.336M
Beta (5Y Monthly)	5.11
PE Ratio (TTM)	N/A
EPS (TTM)	-2.23
Earnings Date	Feb 28, 2023
Forward Dividend & Yield	N/A (N/A)
Ex-Dividend Date	N/A
1y Target Est	12.33

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Earnings Webcast and Conference Call Set for Tuesday, February 28, 2023, at 4:30 p.m. ET/FORT LAUDERDALE, Fla., Feb. 20, 2023 (GLOBE...

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NasdaqCM - NasdaqCM Real Time Price. Currency in USD

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Visitors trend 2W ↓ 10W ↑ 9M ↑

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**5.87 -0.50 (-7.85%) 5.80 -0.07 (-1.19%)**

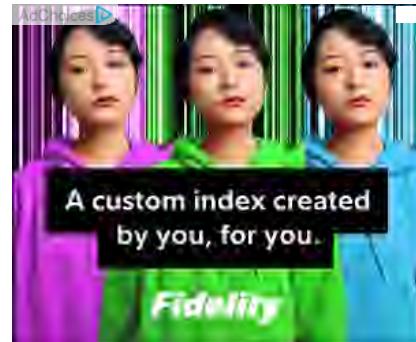
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**Chart Events**

Bullish pattern detected



View all chart patterns

Previous Close	6.37	Market Cap	982.033M
Open	6.17	Beta (5Y Monthly)	4.29
Bid	5.80 x 3200	PE Ratio (TTM)	N/A
Ask	5.83 x 2900	EPS (TTM)	-2.63
Day's Range	5.73 - 6.22	Earnings Date	Mar 14, 2023 - Mar 20, 2023
52 Week Range	3.25 - 23.66	Forward Dividend & Yield	N/A (N/A)
Volume	12,051,533	Ex-Dividend Date	Oct 12, 2017
Avg. Volume	13,619,601	1y Target Est	9.44

**Fair Value** **XX.XX**  
**Near Fair Value**

8% Est. Return

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**Performance Outlook**

Short Term	Mid Term	Long Term
2W - 6W	6W - 9M	9M+

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## Texas Bitcoin Miners Face Damage, Higher Power Costs From Ice Storms



(Bloomberg) -- Bitcoin miners in Texas are suffering from yet another storm as they scale back operations due to spiking electricity costs...

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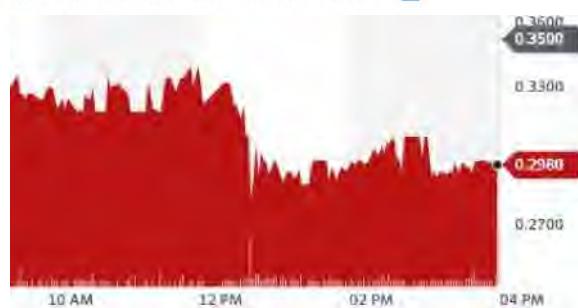
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**Chart Events** [?](#) [Y+](#)**Neutral** pattern detected[View all chart patterns](#)**Performance Outlook**

Short Term	Mid Term	Long Term
2W - 6W	6W - 9M	9M+

Previous Close	<b>0.3500</b>	Market Cap	<b>111.609M</b>
Open	<b>0.3500</b>	Beta (5Y Monthly)	N/A
Bid	<b>N/A x N/A</b>	PE Ratio (TTM)	N/A
Ask	<b>N/A x N/A</b>	EPS (TTM)	<b>-4.4800</b>
Day's Range	<b>0.2820 - 0.3500</b>	Earnings Date	N/A
52 Week Range	<b>0.0410 - 9.8000</b>	Forward Dividend & Yield	N/A (N/A)
Volume	<b>2,467,475</b>	Ex-Dividend Date	N/A
Avg. Volume	<b>33,556,831</b>	1y Target Est	<b>0.38</b>

**Fair Value** [?](#) [Y+](#)**XX.XX****N/A**[View details](#)**Related Research** [?](#) [Y+](#)

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## SASMF EXHIBIT 25 Ad Hoc Equity Group Exhibit 32

**SASMF EXHIBIT 25**

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**Exhibit 33**

[← Cryptocurrencies](#)[View all Cryptocurrencies](#)

# Bitcoin

Futures and Options

GLOBEX CODE [i](#)

BTCH3

LAST

23940

CHANGE

+595 (+2.55%)

VOLUME

3,043

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Last Updated 27 Feb 2023 08:37:19 AM CT

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## BITCOIN FUTURES - QUOTES

VENUE: GLOBEX



AUTO-REFRESH IS OFF

Last Updated 27 Feb 2023 08:20:25 AM CT. Market data is delayed by at least 10 minutes.

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
MAR 2023 BTC3	OPT		23845	+500 (+2.14%)	23345	23565	23955	23455	2,807	08:10:12 CT 27 Feb 2023
APR 2023 BTCJ3	OPT		24005	+500 (+2.13%)	23505	23835	24005	23615	40	07:55:58 CT 27 Feb 2023
MAY 2023 BTCK3	OPT		23835	+260 (+1.10%)	23575	23755	23835	23755	11	07:17:29 CT 27 Feb 2023
JUN 2023 BTCM3	OPT		24000	+345 (+1.46%)	23655	24000	24000	24000	1	18:18:38 CT 26 Feb 2023
JUL 2023 BTCN3	OPT		23980	+320 (+1.35%)	23660	23980	23980	23980	1	07:37:56 CT 27 Feb 2023

MONTH	OPTIONS	CHART	LAST	CHANGE	PRIOR SETTLE	OPEN	HIGH	LOW	VOLUME	UPDATED
AUG 2023 BTCQ3	OPT		-	-	23665	-	-	-	0	16:00:00 CT 26 Feb 2023
SEP 2023 BTCU3	OPT		-	-	23750	-	-	-	0	18:18:38 CT 26 Feb 2023
DEC 2023 BTCZ3	OPT		-	-	23905	-	-	-	0	18:18:38 CT 26 Feb 2023
MAR 2024 BTCH4	OPT		-	-	24105	-	-	-	0	18:18:38 CT 26 Feb 2023
JUN 2024 BTM4	OPT		-	-	24310	-	-	-	0	16:00:00 CT 26 Feb 2023
DEC 2024 BTCZ4	OPT		-	-	24720	-	-	-	0	16:00:00 CT 26 Feb 2023

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# AND MICRO ETHER FUTURES



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**Exhibit 34**

You are at: [Home](#) » [Bitcoin](#) » Who Accepts Bitcoin?

## Who Accepts Bitcoin as Payment?

By: [Ofir Beigel](#) | Last updated: 1/15/23

Bitcoin has taken over the cryptocurrency market. It's the largest and most well-known digital currency today. Many large companies are accepting Bitcoin as a legitimate source of funds. This post will cover them all.

### Who Accepts Bitcoin Summary

A [2020 survey by HSB](#) reveals that 36% of small-medium businesses in the US accept Bitcoin. The most popular companies accepting Bitcoin payments worldwide today are:

- Wikipedia
- Microsoft
- AT&T

Or, you can use [this search engine](#) that allows you to search for vendors by products.

If you want a detailed list of companies who accept Bitcoin keep on reading. Here's what I'll cover:

1. [Major Companies who Accept Bitcoin](#)
2. [Stores that Accept Bitcoin](#)
3. [Frequently Asked Questions](#)
4. [Conclusion](#)

### 1. Major Companies Who Accepts Bitcoin as Payment

#### Wikipedia

Wikimedia, the company that operates the world's largest open-source encyclopedia, Wikipedia, [accepts donations in Bitcoin](#). Payment is done through BitPay.

#### Microsoft

The company [allows the use of Bitcoin](#) to top up your Microsoft account. In the past, the company [halted its acceptance](#) of cryptocurrency but shortly after.

**Ad Hoc Equity Group Exhibit 34 SASMF EXHIBIT 25**

## AT&T

AT&T is the first major U.S. mobile carrier to provide a cryptocurrency payment option to customers [through BitPay](#).

## Burger King

According to local news [reports](#), Burger King outlets in Venezuela announced a partnership with Cryptobuyer to accept cryptocurrencies as a mode of payment. Customers can pay in Bitcoin, Dash, Litecoin, Ethereum, and Tether.

Additionally, the German branch of Burger King [has begun accepting Bitcoin](#) on its website and mobile app on September 3, 2019. However, this was more of a marketing gimmick that doesn't enable you to buy at an actual brick and mortar store.

You can only pay with Bitcoins and Bitcoin Cash by ordering delivery online through the Lieferservice delivery service, which works with restaurants throughout the country.

## KFC

KFC Canada [decided to accept Bitcoin](#) for a limited time in exchange for the "Bitcoin Bucket". The company processed payment through BitPay and the bucket was to be delivered straight to the customer's home address.

## Overstock

Overstock, a famous American online retailer that sells big-ticket items at lower prices due to overstocking, partnered with Coinbase in order to allow Bitcoin payments for their online orders.

## Subway

Several Subway branches accept (or used to accept, the current status is unknown) Bitcoin as payment for their sandwiches. You can see an example in this video:



## Twitch

Amazon owned leading game streaming platform [accepts Bitcoin and Bitcoin Cash](#) as payment for its services. The company removed this option on March 2019 but then re-enabled it in June.

## Pizza Hut

As of November 2020, the giant pizza franchise [Pizza Hut can be now purchased and paid for with Bitcoin in Venezuela](#). This is following the economic sanctions imposed on the country that drove cryptocurrency acceptance to new heights. While this step is far from being global, it could be an indication of things to come.

## Miami Dolphins

The Miami Dolphins [intend to give home game attendees the ability to pay with Litecoin and Bitcoin](#) when purchasing tickets for the team's 50/50 raffle, where half of the proceeds benefit the Miami Dolphins Foundation and its charitable causes.

## Dallas Mavericks

The Dallas Mavericks [now accept Bitcoin](#) as a method of payment for both game tickets and merchandise. BitPay will process all Bitcoin payments through the team's website.

## Virgin Galactic

Richard Branson company that includes Virgin Mobile and Virgin Airlines [allows you to pay for space travel with Bitcoins](#).

## Norwegian Air

Norwegian Air Shuttle (Norwegian), Scandinavia's largest airline and Europe's third-largest budget airline, [plans to provide](#) a payment solution enabling customers to pay for tickets with cryptocurrency.

One of the leading domain name registrants [start accepting Bitcoin](#) back in 2013 since it has been requested by the company's tech audience.

## CheapAir

An American online travel agency, established in 1989 has started accepting Bitcoin through Coinbase and later on [changed their payment processor](#) to BTCPayServer.

## Gyft

Buy & send gift cards online for retailers like Amazon, Starbucks, and iTunes. The company [accepts Bitcoin as payment](#) without any additional fees.

## NewEgg

An online retailer of items including computer hardware and consumer electronics. The company is [one of the first](#) to accept Bitcoin payment.

## The Internet Archive

A San Francisco-based nonprofit digital library with the stated mission of “universal access to all knowledge” [accepts Bitcoin donations](#). Its [web archive](#), the Wayback Machine, contains hundreds of billions of web captures.

## The Pirate Bay

An online index of digital content of entertainment media and software. The site accepts Bitcoin and cryptocurrency donations [since 2013](#).

## 4Chan

A beloved site among crypto users, 4Chan is an imageboard website. Users generally post anonymously, with the most recent posts appearing above the rest.

4chan is split into various boards with their own specific content and guidelines. Registration is not possible. The [site accepts Bitcoin](#), Bitcoin Cash, Ethereum, and Litecoin as payment for a 4Chan pass.

## Mega.nz

A cloud storage and file hosting service launched on January 19, 2013, by [Kim Dotcom](#), who had previously founded Megaupload. The site [accepts Bitcoin](#) for account upgrades.

## Amazon (not directly)

connects people who have Bitcoin and want to buy on Amazon with people who want to get Bitcoin in return for fulfilling an order.

## ExpressVPN

One of the largest [virtual private network](#) service that allows you to surf online securely and privately. ExpressVPN is a subscription-based service [that accepts Bitcoin](#).

## Benfica

Sport Lisboa e Benfica, commonly known as Benfica is an extremely popular sports club based in Lisbon Portugal. [The company accepts Bitcoin](#) for game tickets and merchandise.

## Quiznos

Quiznos, the Denver-based restaurant brand specializing in subs, has [announced plans to accept crypto](#) at its Denver airport branch.

## AMC

AMC, the American-based renowned movie theatre chain, has announced that [by the end of 2021 it will accept Bitcoin as payment for movie tickets](#). This option will be available across all of AMC's US theatres.

## 1. Stores that Accept Bitcoin as Payment

Aside from the big companies I've mentioned in the previous chapter, there are many small and medium businesses (SMBs) that accept Bitcoin as well.

- **Alza** – Largest Czech online retailer
- **Alternative Airlines** – A flight-search website that offers ways to book flights using a range of cryptocurrencies.
- **Bitcoin.Travel** – a travel site that provides accommodation, apartments, attractions, etc.
- **Travala** – Travala.com is the largest cryptocurrency-friendly OTA in the world. It offers comprehensive travel products, such as hotel lodging and tours, for a large selection of destinations. Services can be paid with a variety of cryptocurrencies, [Bitcoin](#) and Ethereum included. Travala.com is backed by [Binance](#), the popular crypto exchange.
- **Pembury Tavern** – A pub in London, England
- **Old Fitzroy** – A pub in Sydney, Australia
- **The Pink Cow** – A diner in Tokyo, Japan
- **Zynga** – Mobile gaming

- **Etsy Vendors** – 93 of them
- **PizzaForCoins.com** – Domino's Pizza signed up – pay for their pizza with bitcoins
- **Bitcoincoffee.com** – Buy your favorite coffee online
- **Grass Hill Alpacas** – A local farm in Haydenville, MA
- **Jeffersons Store** – A streetwear clothing store in Bergenfield, N.J.
- **Helen's Pizza** – Jersey City, N.J., you can get a slice of pizza for bitcoin.
- **A Class Limousine** – Pick you up and drop you off at Newark (N.J.) Airport
- **Seoclerks.com** – Get SEO work done on your site cheap
- **Fancy.com** – Discover amazing stuff, collect the things you love, buy it all in one place
- **Humblebundle.com** – Indie game site
- **BigFishGames.com** – Games for PC, Mac, and Smartphones (iPhone, Android, Windows)
- **Suntimes.com** – Chicago based online newspaper
- **San Jose Earthquakes** – San Jose California Professional Soccer Team (MLS)
- **Crowdtilt.com** – The fastest and easiest way to pool funds with family and friends
- **Lumfile** – Server company that offers free cloud-based servers
- **Museum of the Coastal Bend** – 2200 East Red River Street, Victoria, Texas 77901, USA
- **Gap, GameStop and JC Penney** – have to use eGifter.com
- **Fight for the Future** – Leading organization fighting for Internet freedom
- **i-Pmart (ipmart.com.my)** – A Malaysian online mobile phone and electronic parts retailer
- **Curryupnow.com** – A total of 12 restaurants on the list of restaurants accept bitcoins in San Francisco
- **Dish Network** – An American direct-broadcast satellite service provider
- **The Libertarian Party** – United States political party
- **Yacht-base.com** – Croatian yacht charter company
- **Euro Pacific** – A major precious metal dealer
- **CEX** – The trade-in chain has a shop in Glasgow, Scotland that accepts bitcoin
- **Straub Auto Repairs** – 477 Warburton Ave, Hastings-on-Hudson, NY 10706 – (914) 478-1177
- **PSP Mollie** – Dutch Payment Service
- **Intuit** – an American software company that develops financial and tax preparation software.
- **ShopJoy** – An Australian online retailer that sells novelty and unique gifts
- **Lv.net** – Las Vegas high-speed internet services
- **Grooveshark** – Online music streaming service based in the United States
- **MIT Coop Store** – Massachusetts Institute of Technology student bookstore
- **SimplePay** – Nigeria's most popular web and mobile-based wallet service
- **SFU bookstore** – Simon Fraser University in Vancouver, Canada

- [mspinc.com](#) – Respiratory medical equipment supplies store
- [Shopify.com](#) – An online store that allows anyone to sell their products
- [Famsa](#) – Mexico's biggest retailer
- [Naughty America](#) – Adult entertainment provider
- [Mexico's Universidad de las Américas Puebla](#) – A major university in Mexico
- [MovieTickets.com](#) – Online movie ticket exchange/retailer
- [Dream Lover](#) – Online relationship service
- [Rakuten](#) – A Japanese e-commerce giant
- [Badoo](#) – Online dating network
- [RE/MAX London](#) – UK-based franchisee of the global real estate network
- [T-Mobile Poland](#) – T-Mobile's Poland-based mobile phone top-up company
- [Stripe](#) – San Francisco-based payments company
- [WebJet](#) – Online travel agency
- [Green Man Gaming](#) – Popular digital game reseller
- [Save the Children](#) – Global charity organization
- [NCR Silver](#) – Point of sales systems
- [One Shot Hotels](#) – Spanish hotel chain
- [Coupa Café in Palo Alto](#)
- [PureVPN](#) – VPN provider
- [That's my face](#) – create action figures
- [Foodler](#) – North American restaurant delivery company
- [Amagi Metals](#) – Precious metal furnisher

While many companies are very excited to let us know when they start accepting Bitcoin they don't bother to update if they stop. Therefore this list can be somewhat outdated, so take it with a grain of salt.

Additional SMBs that accept Bitcoin [can be found here](#) and [here](#). Also, many people have started advertising their SMBs in the comment section of this page.

### **3. Frequently Asked Questions**

#### **Can Bitcoin Be Converted to Cash?**

Yes, you can convert Bitcoin to cash at a [Bitcoin ATM](#) or through a [Bitcoin exchange](#).

#### **Does Amazon Accept Bitcoin?**

No. You can't pay with Bitcoins on Amazon. However, you can buy stuff on Amazon indirectly with Bitcoin by using Purse.io

#### **Does Microsoft Still Accept Bitcoin?**

## Does Starbucks Accept Bitcoin?

No. Starbucks does not accept Bitcoin.

## Do Hotels Accept Bitcoin?

In general, hotels don't accept Bitcoin. In the past, Expedia has accepted Bitcoin for travel bookings, but that activity ceased sometime around June 2018.

## What Can I Buy with Bitcoin?

Today it's possible to buy almost anything with Bitcoin through the use of [Bitcoin debit cards](#). These cards are issued by Visa or Mastercard and can be loaded with funds via Bitcoin.

## Does Expedia Still Accept Bitcoin?

No, Expedia quietly [stopped accepting](#) Bitcoin in 2018.

## Does eBay Accept Bitcoin?

No. eBay does not allow Bitcoin as a payment method.

## 4. Conclusion

While not a lot of places accept Bitcoin directly, it's clear to see that the adoption of Bitcoin as a payment method is increasing with each year. One example is the emergence of companies such as [NowPayments](#), a crypto payment gateway that can integrate to any business and allow it to accept Bitcoin, as well as many other coins.

So, while we still have a long way to go until all companies will accept Bitcoin directly and not through payment processors or Bitcoin debit cards, you can find big brands like Microsoft, AT&T, and Overstock that have already taken a step in the right direction.

Do you know of any business that accepts bitcoin as payment and is not listed on this page? Feel free to share it in the comment section below.



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1,718 comments on “Who Accepts Bitcoin?”

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**JEFF**

FEBRUARY 10, 2023 AT 22:58

Hi 99Bitcoins, we love your content and have followed your obituaries since way back around 2013. Can you add our Locksmith business Locksmith Direct to your list of merchants who accept Bitcoin?

[Reply](#)



**ASAD**

FEBRUARY 7, 2023 AT 20:27

Thank you for Sharing Amazing content

[Reply](#)



**KIBET - 99BITCOINS SUPPORT**

FEBRUARY 8, 2023 AT 06:42

You're most welcome!

[Reply](#)



**ASRI**

FEBRUARY 16, 2023 AT 12:46

hey Kibet.

I'm a documentary filmmaker and currently working on a documentary series about Bitcoin. I'd like to talk to you. Thank you.

**Ad Hoc Equity Group Exhibit 34**

**SASMF EXHIBIT 25**

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We Translate Bitcoin to Plain English



JANI

JANUARY 31, 2023 AT 21:35

in buy-clash you can use Cryptocurrency to buy Clash of Clans account. They accept all types of crypto as payment like Bitcoin, Dogecoin and ETH. You can take a look at their [clash of clans accounts](#).

Reply



BITCHCOIN

FEBRUARY 18, 2023 AT 18:08

Would you accept a highly volatile fantasy currency as payment for your work?

Reply

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**Exhibit 35**

**EXHIBIT B**

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

155 NORTH WACKER DRIVE  
CHICAGO, ILLINOIS 60606-1720

TEL: (312) 407-0700  
FAX: (312) 407-0411  
[www.skadden.com](http://www.skadden.com)

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January 6, 2023

*Via First-Class Mail and Email*

Jayson B. Ruff, Esquire  
Trial Attorney  
Office of the United States Trustee  
515 Rusk Street, Suite 3516  
Houston, TX 77002

RE: Core Scientific, Inc., et al., Case No. 22-90341 (DRJ)  
(the “**Chapter 11 Cases**” –  
Request for Appointment of an Official Committee of  
Equity Security Holders

Dear Mr. Ruff:

We write on behalf of an ad hoc group of equity security holders (the “**Ad Hoc Group**”) of Core Scientific Inc. (“**Core Scientific**” or the “**Company**,” and together with its subsidiaries and affiliates in the Chapter 11 Cases, the “**Debtors**”). The members of the Ad Hoc Group collectively own 12,322,419 shares of the Company’s common stock (representing approximately 3.29% of all issued and outstanding common stock of the Company and approximately 4.61% of issued and outstanding common stock of the Company not held by insiders).<sup>1</sup> The current members of the Ad Hoc Group are identified on **Exhibit A** attached hereto.

<sup>1</sup> Based on public filings, we believe approximately 107.03 million shares of the Company’s common stock are currently held by insiders, representing approximately 28.58% of all issued and outstanding shares of common stock of the Company.

Jayson B. Ruff, Esq.  
 Trial Attorney  
 Office of the United States Trustee  
 January 6, 2023  
 Page 2

By this letter, the Ad Hoc Group respectfully requests that the United States Trustee promptly appoint an official committee of equity security holders in these Chapter 11 Cases. As detailed below, the circumstances underlying the Debtors' bankruptcy filing, the terms of their proposed restructuring plan, and their own statements provide substantial reason to believe that equity is "in the money." As such, the Company's stockholders have a substantial stake in the outcome of the Chapter 11 Cases and deserve meaningful representation in these proceedings. Unfortunately, no other fiduciary can adequately fill this role. In these circumstances, prompt appointment of an official committee is necessary to safeguard stockholders' legitimate interests, facilitate their meaningful participation in the Chapter 11 Cases, and maximize value for all stakeholders.

#### **BASIS FOR REQUESTED APPOINTMENT**

As you know, Section 1102(a)(1) of the Bankruptcy Code entrusts to the United States Trustee's discretion the decision to appoint an official committee of equity security holders as the United States Trustee "deems appropriate."<sup>2</sup> As set forth herein, there are compelling reasons to appoint an official committee of equity security holders in these Chapter 11 Cases, including:

- (1) The Company's stockholders have an important economic stake in the outcome of these Chapter 11 Cases because there is a substantial likelihood that the Debtors are solvent.
- (2) An official equity committee is necessary to assure adequate representation of the equity holders in the Chapter 11 Cases.
- (3) The appointment of an official equity committee adds value to the Chapter 11 Cases that outweighs any additional cost.
- (4) The request is timely, and the prompt appointment of an official equity committee is essential to allow the equity holders to participate meaningfully in the Chapter 11 Cases.<sup>3</sup>

<sup>2</sup> 11 U.S.C. § 1102(a)(1).

<sup>3</sup> Although Section 1102(a)(1) leaves to your client's discretion the propriety of appointing a committee of equity holders, case precedent focuses on the foregoing factors in considering whether appointment of an official equity committee is appropriate. See, e.g., *In re Pilgrim's Pride Corp.*, 407 B.R. 211, 216 (Bankr. N.D. Tex. 2009); *In re Williams Commc'n Grp. Inc.*, 281 B.R. 216, 220 (Bankr. S.D.N.Y. 2002); *In re Kalver Microfilm Inc.*, 195 B.R. 599 (Bankr. D. Del. 1996); *In re Sandridge Energy Inc.*, No. 16-32488 (Bankr. S.D. Tex. Aug. 1, 2016), Hrg Tr. at 94:10-12.

Jayson B. Ruff, Esq.  
 Trial Attorney  
 Office of the United States Trustee  
 January 6, 2023  
 Page 3

**I. There is a substantial likelihood that the Debtors are solvent and that stockholders are entitled to a distribution.**

Case law addressing the appointment of equity committees in chapter 11 cases accords great importance to the debtor's likely solvency, or lack thereof.<sup>4</sup> The significance of this factor is straightforward. Equity holders of a "hopelessly insolvent" debtor are entitled to no distribution under a chapter 11 plan; the appointment of a committee to represent them therefore accomplishes little more than to burden the estate with incremental expenses. Conversely, equity holders of a solvent debtor retain a substantial legal and economic interest entitled to adequate representation during the chapter 11 process. Of course, the debtor's solvency—and, by extension, its equity holders' entitlement to a distribution—need not be conclusively established in connection with a request to appoint an equity committee. Rather, appointment of an equity committee may rest on preliminary indicia of value that suggest a "substantial likelihood" that equity security holders are entitled to a "meaningful distribution" under the absolute priority rule.<sup>5</sup>

<sup>4</sup> See, e.g., *Pilgrim's Pride*, 407 B.R. at 217 n. 15 ("Much of the authority suggests—and the court agrees—that appointment of an equity committee should be denied in cases where there is no doubt about the debtor's insolvency." (citing *Williams Commc'n's*, 281 B.R. 216; *In re Wang Labs., Inc.*, 149 B.R. 1, 4 (Bankr. D. Mass. 1992))); *Williams Commc'n's*, 281 B.R. at 220 (describing solvency as a "major factor"); *Exide Techs. v. Wis. Inv. Bd.*, No. 02-11125-KJC, 2002 WL 32332000, at \*1-2 (D. Del. Dec. 23, 2002) (noting that courts only "consider . . . additional factors in determining whether equity holders are adequately represented without the appointment of an official committee" when a debtor is *not* deemed to be "hopelessly insolvent"); *In re Kalvar Microfilm, Inc.*, 195 B.R. 599, 601 (Bankr. D. Del. 1996); *In re Emons Indus., Inc.*, 50 B.R. 692, 694 (Bankr. S.D.N.Y. 1985) ("[G]enerally no equity committee should be appointed when it appears that a debtor is hopelessly insolvent[.]").

<sup>5</sup> See, e.g., *In re Spansion, Inc.*, 421 B.R. 151, 156 (Bankr. D. Del. 2009) (quoting *Exide Techs. v. Wis. Inv. Bd.*, Case No. 02-1572-SLR, 2002 WL 32332000, at \*1 (D. Del. Dec. 23, 2002)); see also *In re SunEdison, Inc.*, 556 B.R. 94, 103–04 (Bankr. S.D.N.Y. 2016) (denying a motion to appoint an equity committee where "it is substantially unlikely that equity will receive a distribution"); *In re Eastman Kodak Co.*, No. 12-10202 ALG, 2012 WL 2501071, at \*4 (Bankr. S.D.N.Y. June 28, 2012) (denying a motion to appoint an equity committee because, "based on the instant record, there is no substantial evidence that equity will be entitled to a meaningful distribution in this case"); *In re Nat'l R.V. Holdings, Inc.*, 390 B.R. 690, 698 (Bankr. C.D. Cal. 2008) (denying motion to appoint equity committee based, *inter alia*, on the fact that equity security holders will not receive a meaningful distribution); *In re Leap Wireless Int'l, Inc.*, 295 B.R. 135, 140 (Bankr. S.D. Cal. 2003) ("Shareholders committees should be appointed when equity holders establish there is a substantial likelihood that they will receive a meaningful distribution in the case [.]"); *In re Williams Commc'n's Grp., Inc.*, 281 B.R. 216, 223 (Bankr. S.D.N.Y. 2002) (An equity committee "should not be appointed unless equity holders establish

Jayson B. Ruff, Esq.  
 Trial Attorney  
 Office of the United States Trustee  
 January 6, 2023  
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Here, even at this early stage, there is ample evidence—including the Debtors’ own papers and statements—to suggest that the Company is solvent and that its stockholders therefore are entitled to a meaningful distribution.

Support for this conclusion begins with the Debtors’ first-day papers, which indicate that the Company’s assets exceed its liabilities. Specifically, Core Scientific’s petition and First-Day Declaration<sup>6</sup> indicate that the Company had approximately \$1.4 billion in total assets compared to approximately \$1.3 billion in total liabilities, as of the end of third quarter 2022.<sup>7</sup>

Consistent with these representations, the Debtors have unilaterally proposed what they characterize as a “meaningful recover[y]” for the Company’s stockholders.<sup>8</sup> Specifically, the proposed chapter 11 plan contemplated by the Debtors’ Restructuring Support Agreement<sup>9</sup> provides that if both the class of general unsecured claims and the class of equity interests in the Company vote to accept the plan, general unsecured creditors and stockholders will share (in portions to be determined) (1) three percent<sup>10</sup> of the reorganized Company’s common stock (subject to dilution by warrants and the management incentive plan) and

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that . . . there is a substantial likelihood that they will receive a meaningful distribution in the case under a strict application of the absolute priority rule[.]”).

<sup>6</sup> The “**First-Day Declaration**” (or “**First-Day Decl.**”) refers to the *Declaration of Michael Bros in Support of the Debtors’ Chapter 11 Petitions and First Day Relief* [Docket No. 5].

<sup>7</sup> Attachment to Voluntary Pet. of Core Scientific, Inc., ¶ 2, Docket No. 1; First-Day Decl. ¶ 63; see also Core Scientific, Inc., Quarterly Report (Form 10-Q) at 4 (Nov. 22, 2022) (balance sheet as of September 30, 2022, reporting stockholders’ equity of approximately \$73 million).

<sup>8</sup> First-Day Decl. ¶ 15.

<sup>9</sup> The “**Restructuring Support Agreement**” (or “**RSA**”) refers to that certain Restructuring Support Agreement between the Debtors and certain holders of the Debtors’ convertible notes, the form of which was appended to a Notice of Filing dated December 21, 2022 [Docket No. 72] and incorporated into the First-Day Declaration as Exhibit B thereto. It is unclear whether the RSA has been executed and whether the Support Effective Date (as defined therein) has occurred. The form of RSA filed on the docket is undated and includes no signature pages; the Notice of Filing to which the form of RSA was appended states only that “the Debtors have agreed to the form of Restructuring Support Agreement.” Notice of Filing 1. The term sheet attached as Exhibit A to the RSA is referred to as the “**Plan Term Sheet**.”

<sup>10</sup> See RSA Ex. A, at 11–12.

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(2) additional contingent value in the form of warrants exercisable at certain enterprise value thresholds.<sup>11</sup>

In this regard, the United States Trustee need not look beyond the Debtors' own representations and proposals to ascertain a "substantial likelihood" of a "meaningful distribution" to stockholders. The Debtors surely will insist that their proposed plan provides stockholders more than they are legally entitled; the Ad Hoc Group will argue, conversely, that stockholders are entitled to a great deal more. Indeed, the Ad Hoc Group submits that conditioning stockholders' retention of even a small fraction of the value of the Company on value hurdles that imply a double or triple recovery for the senior secured creditors (who are only entitled to par plus accrued) is, in these circumstances, inequitable and suggests an improper transfer of value to senior secured creditors to the detriment of equity holders. Nevertheless, the imminent dispute over the adequacy of the Debtors' proposed treatment of stockholders need not, and cannot, be conclusively resolved now. For present purposes, it suffices that the Debtors' papers and proposed plan raise a substantial and colorable issue concerning the Debtors' solvency—and, by extension, stockholders' entitlement to a distribution. Stockholders deserve an independent and empowered fiduciary to represent their interests in this impending dispute.

The fact that the Debtors reported positive stockholder equity in their most recent balance sheet and have proposed a distribution to stockholders in these cases is reason enough to conclude that there is a substantial likelihood that the Debtors are solvent. But even a more searching inquiry into the circumstances surrounding the Debtor's chapter 11 filing would yield the same conclusion. The Debtors commenced the Chapter 11 Cases amid a pronounced, but likely transitory, market dislocation. Less than one year ago, the Company consummated a deSPAC transaction, premised on a pre-transaction equity valuation of \$4 billion,<sup>12</sup> and thereafter experienced "tremendous growth, as measured by cash flow increases."<sup>13</sup> As of March 31, 2022, the Company's market capitalization stood at approximately

<sup>11</sup> Specifically, general unsecured creditors and stockholders would share three tranches of warrants: (1) Tranche I warrants exercisable when the enterprise value implies a 100% recovery to the secured convertible notes; (2) Tranche II warrants exercisable when the enterprise value implies a 200% recovery to the secured convertible notes; and (3) Tranche III warrants exercisable when the enterprise value implies a 300% recovery to the secured convertible notes. See RSA Ex. A, at 28–29.

<sup>12</sup> First-Day Decl. ¶ 31; *Power & Digital Infrastructure Acquisition Corp.*, Amendment No. 6 to Registration Statement (Form S-4) at 5–6, 223 (Dec. 30, 2021).

<sup>13</sup> First-Day Decl. ¶ 32.

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\$2.67 billion.<sup>14</sup> But, beginning in Spring 2022, a confluence of headwinds—including the decline in the price of cryptocurrency, an increase in interest rates, an increase in power prices, and a number of companies in the cryptocurrency sector, including one of the Debtors’ largest hosting customers, filing for chapter 11 protection—precipitated a “crypto winter”<sup>15</sup> and interrupted the Company’s high-growth phase.

But there is good reason to believe that the dynamics underlying the crypto winter are temporary. Indeed, many of the factors the Debtors blame for their recent difficulties are now trending in a favorable direction. Among other things, reports establish that inflation rates are falling and the cost of power is moderating.<sup>16</sup> In short, this is not a company that has endured long-term operational struggles, but rather a company enduring temporary turbulence.

Notably, this bullish sentiment is not confined to the Ad Hoc Group. Even as recently as November 30, 2022, well into the so-called “crypto winter,” the Company was projecting adjusted EBITDA of \$130 million in 2023, \$142 million in 2024, and \$141 million in 2025.<sup>17</sup> At the First-Day Hearing, counsel to the ad hoc

<sup>14</sup> See *Core Scientific, Inc.*, Yahoo! Finance, <https://finance.yahoo.com/quote/CORZ/key-statistics/> (last visited Jan. 2, 2023).

<sup>15</sup> First-Day Decl. ¶¶ 6, 65–78.

<sup>16</sup> See Associated Press, *U.S. Inflation Slowed Sharply to 7.1 Percent Over Past 12 Months*, POLITICO (Dec. 13, 2022, 8:56 a.m. EST), <https://www.politico.com/news/2022/12/13/us-inflation-slowed-sharply-past-12-months-00073646> (“Inflation in the United States slowed again last month in the latest sign that price increases are gradually cooling despite the pressures they continue to inflict on American households.”); Abha Bhattacharai, *What’s Next for the Economy? 10 Charts That Show Where Things Stand.*, Wash. Post (Dec. 29, 2022, 6:00 a.m. EST), <https://www.washingtonpost.com/business/2022/12/29/economy-2023-outlook-inflation-prices/> (observing that “[o]verall inflation has fallen for five straight months and is expected to continue its descent in 2023” and “[g]as prices are coming back down”); Austin Hufford, *Prices for Used Cars, Plane Tickets and Electricity Eased in November*, Wall St. J. (Dec. 13, 2022, 12:37 p.m. ET), <https://www.wsj.com/articles/prices-for-used-cars-plane-tickets-and-electricity-eased-in-november-11670949912> (“[P]rices have started to ease on a monthly basis in a potential sign that price pressures are easing . . . Prices for gasoline, electricity and natural gas declined in the month, in welcome news for consumers who need to heat their homes as the colder months approach.”); see also See Andrea Shalal and David Lawder, *World Bank Projects 11% Energy Price Decline by 2023*, Reuters (Oct. 26, 2022, 10:31 a.m. EDT), <https://www.reuters.com/business/energy/world-bank-projects-energy-prices-decline-11-2023-after-60-jump-2022-2022-10-26/> (reporting World Bank projection that energy prices will decline by 11% in 2023).

<sup>17</sup> See Core Scientific Inc., Current Report (Form 8-K) (December 15, 2022), Ex. 99.1, at 2.

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convertible noteholder group likewise reaffirmed his clients' "belief in the future of the company."<sup>18</sup>

Certainly, any uptick in the market will have a materially accretive effect on the enterprise value of the Debtors. As noted in open letter from B. Riley Financial ("B. Riley") to the Company's shareholders and lenders, dated December 14, 2022, every \$1,000 increase in the price of bitcoin would likely increase EBITDA by \$20 million.<sup>19</sup> Additional investments and right-sizing of operations could further improve EBITDA. For example, B. Riley suggests that building out the Company's Denton, Texas facility could provide an incremental \$25 million of EBITDA.<sup>20</sup>

As described in greater detail below, the Company has not engaged in any meaningful market check on the proposed plan and DIP financing and has restricted itself from doing so on a go-forward basis. A competitive market process could establish a greater enterprise value, and therefore greater recoveries for equity and other stakeholders.

The appointment of an equity committee is crucial to ensuring adequate value is allocated to stockholders and is not unfairly diverted to senior secured creditors or other stakeholders.

## **II. An official committee is necessary to assure adequate representation of stockholders in the Chapter 11 Cases.**

Only an official committee of equity security holders can protect stockholders' substantial legal and economic interests and ensure their meaningful

<sup>18</sup> See *In re Core Scientific, Inc.*, No. 22-90341-11 (Bankr. S.D. Tex. Dec. 22, 2022), Hr'g Tr. at 31:19-25, 32:1-4 ("[P]eople believed in this business, they invested in this business as original holders, and they still hold those notes. And so it's not been fun for them to see where the price of the coin is right now, and to see what happened with respect to the company. And so for them to come together and not only support this restructuring, but also be prepared to write a money check into it from a DIP lending perspective because they're also serving in the capacity of DIP lenders, is a real testament to their desire to stick to this process, and their belief in the future of the company."); *Id.* at 32:5-10 ("However, they also know that this company has sustained an extraordinarily volatile larger universe. You only need to look at the price of bitcoin and where it's been and where it is now. There's lots of hopeful people that hope it'll go back in the other direction.").

<sup>19</sup> Press Release, B. Riley Financial, *B. Riley Financial Issues Open Letter to Core Scientific Investors* (Dec. 14, 2022), <https://www.prnewswire.com/news-releases/b-riley-financial-issues-open-letter-to-core-scientific-investors-301703337.html>.

<sup>20</sup> *Id.*

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participation in these Chapter 11 Cases. Stockholders can count on neither the Debtors nor an unsecured creditors' committee to adequately represent their interests.

Although, by law, the Company's board of directors has a fiduciary duty to the Company and its stockholders, a board is not necessarily an adequate representative of stockholders' interests in a chapter 11 proceeding. This is so because the directors of a corporation in bankruptcy must advance the interests of the estate generally, rather than the specific interests of stockholders.<sup>21</sup>

That concern is particularly acute here. The Debtors apparently have committed themselves to a restructuring transaction that would award nearly the entire value of their enterprise to their convertible secured noteholders, without having engaged in any rigorous, prepetition marketing process and on terms that tightly constrain their ability to seek out and exploit potentially superior alternatives postpetition. Notably, this course was established by a black-box "Special Committee" that seemingly has supplanted the Company's full board as the ultimate decision-maker concerning restructuring matters, but whose genesis and purpose is not meaningfully explained in the Company's SEC filings or first-day papers.

The RSA and Plan Term Sheet are structured to ensure the outcome of these cases and preclude stockholders' meaningful participation. The proposed plan would not simply compensate the convertible secured noteholders' for their prepetition claims; it would dramatically augment their entitlements, thus awarding them a windfall at the expense of other stakeholders.

The Debtors' DIP facility, provided by members of the ad hoc group of convertible noteholders, is the principal culprit in this respect. The DIP facility inappropriately diverts value to the convertible secured noteholders in numerous ways. Noteholders that agree to participate in the DIP facility will earn handsome fees,<sup>22</sup> plus warrants to obtain 30% of the common stock of the reorganized

<sup>21</sup> See, e.g., *In re Pilgrim's Pride Corp.*, 407 B.R. 211, 218 (Bankr. N.D. Tex. 2009) ("While it is unquestionably true that Debtors' officers and directors have a duty to maximize Debtors' estates to the benefit of shareholders as well as creditors, the reorganization process is not so simple that that ensures shareholders are adequately represented by even equity-owning management. The principal concern of Debtors and their managers . . . must be preservation of Debtors' going concern value and their successful emergence from chapter 11.")

<sup>22</sup> The proposed fees include a 2% commitment fee; a \$1.6 million backstop fee; a termination fee equal to (x) 2% of outstanding roll-up loans plus (y) 3% of all other outstanding loans (and interest thereon) (if the DIP facility rolls into an exit facility) or 15% of such other outstanding

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Company in the event that they choose to roll over the DIP facility into exit facility.<sup>23</sup> More significantly, the Debtors have agreed to roll up the DIP lenders' prepetition notes on a one-to-one basis and to secure the roll-up portion of the DIP facility with liens on substantially all of Debtors' previously unencumbered assets, including nearly all of the Debtors' valuable real estate portfolio. Viewed in its totality, the DIP facility channels nearly all of the Debtors' residual value to the convertible secured noteholders in exchange for just \$75 million in new funding, leaving other stakeholders to fight for scraps. Even the value ostensibly allocated to equity holders may prove illusory, as the proposed plan includes a double death trap that would strip equity holders of any recovery if either the general unsecured creditors or the equity holders vote to reject the proposed plan.

Moreover, the RSA and proposed DIP financing significantly hamstring the Debtors' ability to explore, consider, or negotiate any alternative. Specifically, the RSA affords the Debtors only 14 days from the Support Effective Date to solicit or discuss alternative restructuring proposals.<sup>24</sup> Thereafter, the Debtors are forbidden from participating in *any* discussions regarding any alternative restructuring proposals with any party not contacted prior to the end of that 14-day period unless and until a party submits a *bona fide* offer and the boards (or similar governing bodies) of the Debtors determine, but only after counsel has so advised, that failure to engage in discussions would violate their fiduciary duties.<sup>25</sup> If the Special Committee of Core Scientific's board makes such a determination, the Debtors may exercise a "fiduciary out" and terminate the RSA.<sup>26</sup> But termination of the RSA constitutes an event of default under the DIP Credit Agreement.<sup>27</sup> Accordingly, any alternative proposal would require a competing bidder or plan sponsor to put up an amount that may exceed \$165 million to refinance the DIP facility (including the roll-up loans and exorbitant economics) before it would even know if the alternative

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loans and interest (upon the termination of the DIP facility in any other circumstance); a 2% fee for a three-month extension of the scheduled maturity date; and other administrative agency and other fees. *See* Notice of Corrections to DIP Credit Agreement Ex. A §§ 1.1, 2.1.4, 2.1.5, 3.2 [Docket No. 188] (the "**DIP Credit Agreement**"). In other words, in order to refinance the DIP facility following entry of the final order, the Debtors would need to pay an amount that could exceed \$165 million (depending on when the refinancing is effected).

<sup>23</sup> RSA Ex. A, at 6–7.

<sup>24</sup> RSA § 4(b)(xii).

<sup>25</sup> *Id.*

<sup>26</sup> *Id.* § 6(b)(ii).

<sup>27</sup> DIP Credit Agreement § 11.1(p)(xxii).

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transaction would close. The RSA also requires the Company to timely file a formal objection to any motion that seeks approval of any alternative restructuring or otherwise frustrates the purposes of the proposed plan or challenges the proposed DIP financing.<sup>28</sup> In the event that the Debtors receive any outreach regarding an alternative proposal, the Debtors must share the terms with the Consenting Creditors within two business days of receipt.<sup>29</sup>

The Debtors' acquiescence to these constraints is particularly troubling given they have not yet taken any comprehensive efforts to market check either their proposed plan or the DIP financing. The only restructuring alternative that the Special Committee appears to have considered was a proposal from B. Riley, which on its face seemed reasonable and appropriate. The First-Day Declaration provides no coherent explanation for the Special Committee's conclusion that the B. Riley proposal was inferior to the plan and DIP financing proposed by the ad hoc convertible noteholder group. Indeed, the proposed plan and DIP financing suffer, in equal (if not greater) measure, from the same putative deficiencies that apparently prompted the Special Committee to reject the B. Riley proposal. For example, the Debtors contend that the B. Riley proposal would have required "the conversion of B. Riley's unsecured claim into secured debt with liens on certain of the Debtors' assets."<sup>30</sup> But, as discussed above, the convertible secured noteholders similarly insisted that the Debtors roll up a significant portion of the prepetition notes into DIP loans secured by liens on substantial additional collateral, including mining equipment and real estate, thereby "restricting the Company's ability to provide collateral to other potential lenders."<sup>31</sup> Indeed, there is no indication that the Debtors properly marketed their previously unencumbered assets in connection to obtain DIP financing. A proper marketing process may have supported a non-priming, cheaper DIP financing facility without a roll-up.

Similarly, the Debtors complain that B. Riley's proposal required consensual agreements with equipment lenders; however, the equipment financing parties have not agreed to the plan outlined in the RSA, and the Debtors have outlined no credible basis to confirm the proposed plan over the equipment financing parties'

<sup>28</sup> RSA §4 (a)(ii).

<sup>29</sup> RSA § 4(a)(viii).

<sup>30</sup> First-Day Decl. ¶ 84.

<sup>31</sup> *Id.* ¶ 85.

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objections.<sup>32</sup> Thus, the plan outlined in the RSA, just like the B. Riley proposal, will require active negotiations with those constituents.

Moreover, the governance processes that set the Debtors on their present course are obscure and potentially troubling. The First-Day Declaration suggests that the board has delegated all decision-making authority with respect to the restructuring to the Special Committee, which determined to support a proposed restructuring that allocates a disproportionate share of the available value to the prepetition secured noteholders.<sup>33</sup>

In sum, the Company's board cannot zealously represent the interests of the equity holders in these Chapter 11 Cases. Its objectives span multiple constituencies (e.g., equity holders and creditors), and its ability to pursue more attractive alternatives is tightly constrained by the RSA and DIP Credit Agreement.

Nor can the official committee of unsecured creditors, once appointed, adequately represent the interests of stockholder. The creditors' committee's role will be limited to ensuring that general unsecured creditors achieve maximum value for their claims. As noted above, the general unsecured creditors and equity holders have already been pitted against each other in several ways: (1) the proposed double death trap built into the Plan Term Sheet (any vote to reject the plan by the unsecured creditors strips all value from the unsecured creditors *and* equity holders) and (2) the fact that the allocation of the 3% of the reorganized Company's common stock and the warrants as between the equity holders and unsecured creditors remains open. Accordingly, the equity holders require a seat at the table as to how to allocate the value between the equity holders and unsecured creditors. Moreover, although general unsecured creditors and equity holders are currently being treated similarly under the plan, the creditors' committee may seek to decouple general

<sup>32</sup> The Debtors' apparent belief that they can "cram up" the equipment financing parties, thus obviating the need to consensually resolve their claims, is tendentious at best. The Debtors' strategy is premised on a judicial valuation of the mining equipment in an aggregate amount no greater than \$90 million. *See RSA Ex. A, at 10.* This alone is a highly uncertain proposition, given the vagaries inherent in judicial valuations. And, even if the Debtors' valuation case succeeds, they likely will face substantial additional legal objections to the contemplated cram-up of the equipment financing debt.

<sup>33</sup> *See* First-Day Declaration, ¶¶ 13, 17, 80, 85, 87; *see also In re Core Scientific, Inc.*, Case No. 22-90341 (DRJ), Docket No. 1, p. 7 (resolutions suggesting that from November 14, 2022, when Special Committee was formed, until December 12, 2022, Special Committee served in an advisory role; as of December 12, 2022, Special Committee was designated exclusive decision-making authority with respect to "the evaluation, negotiations, and execution of any potential transaction").

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unsecured recoveries from equity recoveries or trade higher general unsecured claim recoveries for little or no equity recoveries. For the foregoing reasons, the creditors' committee cannot adequately represent the interests of the equity holders.

Without the appointment of an official equity committee, the equity holders lack a seat at the table to negotiate, or even evaluate, critical case milestones, and no one will be standing up to the Company, the secured noteholders, or the well-represented general unsecured creditors to ensure that equity holders receive the value to which they are entitled.

**III. The appointment of an official equity committee adds value to the Chapter 11 Cases.**

In light of all the facts and circumstances described above, the Ad Hoc Group believes it is clear that the appointment of an official equity committee will ensure that all stakeholders entitled to a recovery are able to meaningfully participate in the Chapter 11 Cases. Giving the equity holders a meaningful role in the process is the only way to ensure that the bankruptcy process works fairly and justly to maximize value for all stakeholders, not only the secured creditors. The added value of giving the equity holders a seat at the table outweighs the costs to the Debtors' estates of appointing an additional committee.

**IV. The request is timely, and the prompt appointment of an official equity committee is essential to allowing the equity holders meaningful participation in the Chapter 11 Proceedings.**

The equity holders are seeking the appointment of an equity committee at the nascent stage of these Chapter 11 Cases, when they can most effectively ensure maximum value for equity holders and before the terms of the DIP financing and plan of reorganization that strip the equity holders of value are set in stone. The Ad Hoc Group's request for appointment of a committee is therefore timely.

The Debtors have committed themselves to a quick timeline for obtaining final approval of the proposed DIP financing and filing and confirming a plan of reorganization. The final hearing on the proposed DIP financing is currently scheduled for January 23, 2022, with objections due by January 17, 2022. It is essential that the equity committee be constituted and begin its work quickly so that it can adequately protect the interests of the Company's equity holders before the Debtors are able to force stakeholders into accepting DIP financing and a plan that does not maximize value for all stakeholders. Time is particularly of the essence in a

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complex case like this one, involving eleven debtors with operations across several states in a highly technical industry.

The Ad Hoc Group respectfully requests that, in light of all the facts and circumstances, the United States Trustee promptly appoint an official committee of equity security holders so that the substantial interests of the Company's stockholders are fairly represented in these cases.

Thank you for your prompt consideration.

Sincerely,



Ron E. Meisler

cc:

*Counsel to the Debtors*

Alfredo R. Pérez (alfredo.perez@weil.com)  
Ray C. Schrock, P.C. (ray.schrock@weil.com)  
Ronit J. Berkovich (ronit.berkovich@weil.com)  
Moshe A. Fink (moshe.fink@weil.com)

**EXHIBIT A****Ad Hoc Group of Equity Holders**

<b>Shareholder</b>	<b>Number Holdings of Common Stock</b>	<b>Percent Holdings of Common Stock (all holders)</b>	<b>Percent Holdings of Common Stock (excl. insiders)</b>
The Rudolph Family Trust	6,940,704	1.85%	2.59%
Two Trees Capital Limited BVI Custodian CSPB	2,040,000	0.54%	0.76%
Lukasz Gottwald	1,720,296	0.46%	0.64%
Todd Deutsch	900,000	0.24%	0.34%
Douglas Abrams	475,000	0.13%	0.18%
Jay Deutsch	100,000	0.03%	0.04%
Mark Beaven	88,000	0.02%	0.03%
Eddie Griffin	58,419	0.02%	0.02%
<b>Total</b>	<b>12,322,419</b>	<b>3.29%</b>	<b>4.61%</b>

**Exhibit 36**

**EXHIBIT C**

**Madden, Jennifer (PAL)**

**From:** Meisler, Ron E (CHI)  
**Sent:** Friday, January 20, 2023 11:43 AM  
**To:** 'Ruff, Jayson B. (USTP)'; Barcomb, Alicia (USTP)  
**Cc:** Madden, Jennifer (PAL)  
**Subject:** RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Dear Mr. Ruff and Ms. Barcomb,

We wanted to follow up with you on our request for the formation of an official committee of equity holders. As previously noted, over the last month, Bitcoin prices have rallied materially. See

<https://finance.yahoo.com/quote/BTC-USD?p=BTC-USD&.tsrc=fin-srch>.

With this nearly \$5,000/bitcoin increase, Core Scientific's value has increased exponentially. Even before the rally, and as mentioned in our January 6<sup>th</sup> letter, the Debtors' first day papers included evidence of solvency, and accordingly, the Restructuring Support Agreement included a distribution for equity. But there is no one to negotiate on behalf of equity. Moreover, the Final DIP hearing is around the corner, and equity needs an official committee to push back on the value destructive terms. In fact, the ad hoc group of equity holders has been in touch with a couple funding sources that may be able to compete on the DIP loan, but without an official committee, we are operating with "both hands tied behind our back." Furthermore, as stated below, the group of ad hoc equity holders continues to grow because of their conviction regarding value.

We are happy to discuss our request with you and answer any questions you may have. But, most importantly, we urge you to form an official committee of equity holders expeditiously, so that they can assemble, engage counsel and make a meaningful difference in these chapter 11 cases.

Best,  
Ron

**Ron E. Meisler**  
Partner  
Skadden, Arps, Slate, Meagher & Flom LLP  
155 North Wacker Drive | Chicago | Illinois | 60606-1720  
T: +1.312.407.0549 | F: +1.312.407.8641 | M: +1.312.282.1111  
[ron.meisler@skadden.com](mailto:ron.meisler@skadden.com)

Skadden

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**From:** Madden, Jennifer (PAL) <Jennifer.Madden@skadden.com>  
**Sent:** Tuesday, January 17, 2023 1:30 PM  
**To:** 'Ruff, Jayson B. (USTP)' <Jayson.B.Ruff@usdoj.gov>; Barcomb, Alicia (USTP) <Alicia.Barcomb@usdoj.gov>  
**Cc:** Meisler, Ron E (CHI) <Ron.Meisler@skadden.com>  
**Subject:** RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Dear Mr. Ruff and Ms. Barcomb,

We write to provide a further update on the ad hoc group of equity holders seeking appointment of an official committee. Over the past few days, several additional shareholders holding more than 37 million shares (or approximately 10% of the shares outstanding, including shares held by insiders) have reached out to Skadden, expressing interest in joining the ad hoc group. Together with the existing group, we are currently in touch with holders owning approximately 50 million shares (or approximately 13% of the shares outstanding, including shares held by insiders).

The growing size of the group and the substantial additional outreach from shareholders evidences that these holders are passionate about having an official committee appointed in the Core Scientific Chapter 11 cases to advocate for the rights of equity holders for many of the reasons we have communicated in our previous correspondence.

Given the status of the cases and the timing of your decision, we wanted to share this information with you quickly. Please let us know if you would like any additional information.

We look forward to hearing from you soon.

Thanks,  
Jenn

**Jennifer Madden**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
 525 University Avenue | Palo Alto | California | 94301-1908  
T: +1.650.470.4658 | F: +1.650.798.6558  
jennifer.madden@skadden.com

**From:** Meisler, Ron E (CHI) <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>  
**Sent:** Friday, January 13, 2023 12:41 PM  
**To:** 'Ruff, Jayson B. (USTP)' <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>; Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>  
**Cc:** Madden, Jennifer (PAL) <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>  
**Subject:** RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Dear Mr. Ruff and Ms. Barcomb,

Thanks for your response and considering our request. One more issue worth taking into account is the surge in values in comparable companies – a direct result of the factors mentioned in my prior email. In particular, the market caps for the following companies has nearly doubled over the last several weeks:

- The price of **Marathon Digital Holdings**, a cryptocurrency mining company headquartered in Las Vegas, increased from \$3.40 on the first day of trading in 2023 to \$7.26 today, January 13, 2023—a 113% increase in less than two weeks. (*Marathon Digital Holdings, Inc.*, Yahoo! Finance, <https://finance.yahoo.com/chart/MARA/> (last visited Jan. 13, 2023)).



- The price of **Riot Platforms, Inc.**, a Bitcoin mining company headquartered in Colorado, increased from \$3.37 on the first day of trading in 2023 to \$5.94 today, January 13, 2023—a 76% increase in less than two weeks. (*Riot Platforms, Inc.*, Yahoo! Finance, <https://finance.yahoo.com/chart/RIOT/> (last visited Jan. 13, 2023)).



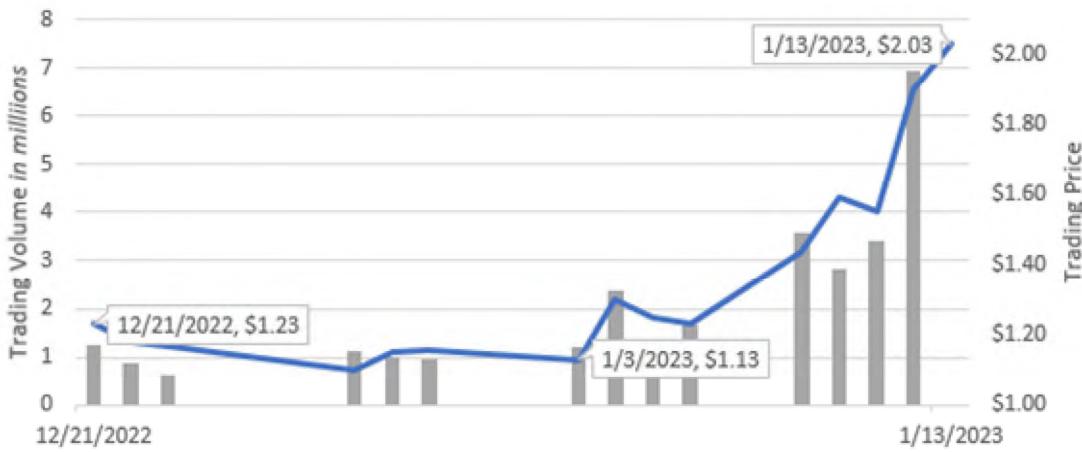
- The price of **HIVE Blockchain Technologies Ltd.**, a cryptocurrency mining company headquartered in Vancouver, increased from \$2.09 on the first day of trading in 2023 to \$4.14 today, January 13, 2023—a 98% increase in less than two weeks. (*HIVE Blockchain Technologies Ltd.*, Yahoo! Finance, <https://finance.yahoo.com/quote/HIVE/chart/> (last visited Jan. 13, 2023)).

**HIVE Blockchain Technologies Ltd. Price and Trading Volume  
from December 21, 2022 to January 13, 2023**



- The price of **Hut 8 Mining Corp.**, a Bitcoin mining company based in Toronto, increased from \$1.13 on the first day of trading in 2023 to \$2.03 today, January 13, 2023—an 80% increase in less than two weeks. (*Hut 8 Mining Corp.*, Yahoo! Finance, <https://finance.yahoo.com/chart/HUT.TO/> (last visited Jan. 13, 2023)).

**Hut 8 Mining Corp. Price and Trading Volume  
from December 21, 2022 to January 13, 2023**



Each of these companies is a competitor of Core Scientific, and all have experienced significant market price increases over the three and a half weeks since Core Scientific filed for chapter 11 bankruptcy protection.

We are happy to discuss at your convenience.

Sincerely,  
Ron

**Ron E. Meisler**  
Partner  
Skadden, Arps, Slate, Meagher & Flom LLP  
155 North Wacker Drive | Chicago | Illinois | 60606-1720  
[T: +1.312.407.0549](tel:+13124070549) | [F: +1.312.407.8641](tel:+13124078641) | [M: +1.312.282.1111](tel:+13122821111)  
[ron.meisler@skadden.com](mailto:ron.meisler@skadden.com)

Skadden

---

**From:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>

**Sent:** Friday, January 13, 2023 12:52 PM

**To:** Meisler, Ron E (CHI) <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>; Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>

**Cc:** Madden, Jennifer (PAL) <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>

**Subject:** [Ext] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Ron,

Thank again for reaching out. We are still reviewing the matter I expect we will be able to provide a response next week.

Kind regards,

**Jayson B. Ruff**

Trial Attorney

Office of the United States Trustee

515 Rusk St., Suite 3516

Houston, Texas 77002

713-718-4662 (office)

202-573-6960 (mobile)

[jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)



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**From:** Meisler, Ron E <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>

**Sent:** Friday, January 13, 2023 10:51 AM

**To:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>; Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>

**Cc:** Madden, Jennifer <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>

**Subject:** [EXTERNAL] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Dear Mr. Ruff and Ms. Barcomb,

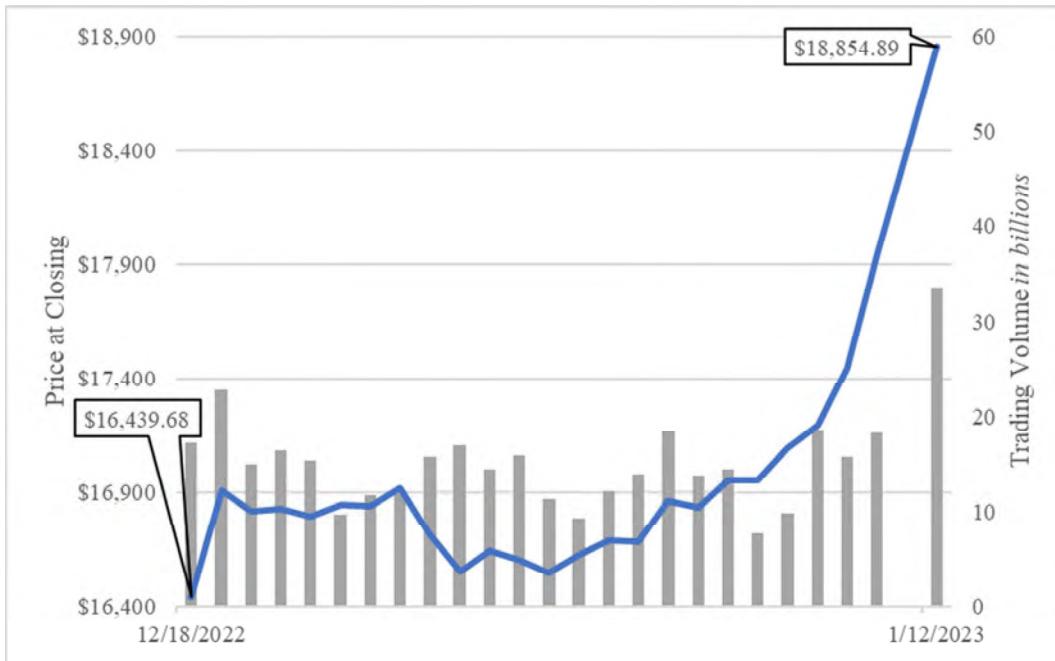
We are writing as a follow-up to the letter dated January 6, 2023 (the “January 6 Letter”), sent by Skadden on behalf of an ad hoc group of equity holders of Core Scientific, Inc. (“Core Scientific” or the “Company”), requesting the appointment of an official equity committee in the chapter 11 cases of Core Scientific and its affiliated debtors. We are writing to provide additional information that we believe will be helpful to you in

making your decision regarding whether to appoint an official equity committee in the Core Scientific chapter 11 cases.

As highlighted in the January 6 Letter, the Debtors pointed to the transitory decline in the price of Bitcoin in both their First-Day Declaration and at their first-day hearing as one of the reasons why Core Scientific was suffering financial decline and seeking chapter 11 relief.

Notably, on December 18, 2022, just days before the debtors filed for bankruptcy, Bitcoin's price was at \$16,439.68 at market close. Today, January 12, 2023, the price of Bitcoin closed at \$18,854.84. (*Bitcoin USD*, Yahoo! Finance, <https://finance.yahoo.com/chart/BTC-USD> (last visited Jan. 12, 2023).)

*Daily Bitcoin Price and Trading Volume from December 18, 2022 to January 12, 2023*



Over the course of a mere three and a half weeks, the price of Bitcoin rose \$2,414.16. This increase of approximately 15% in less than 30 days is attributable, among other things, to favorable macroeconomic factors—including a slowing inflation rate and moderating Fed interest rate hikes that continue to trend in a value accretive direction. In fact, as noted in the chart below, today's trading activity further reflects the rise in bitcoin pricing, which has a direct effect on the Debtors' valuation.



On that point, in B. Riley's open letter to the Company's shareholders and lenders, and as we highlighted in the January 6 Letter, B. Riley noted that every \$1,000 increase in the price of Bitcoin would likely increase EBITDA by \$20 million. (Press Release, B. Riley Financial, *B. Riley Financial Issues Open Letter to Core Scientific Investors* (Dec. 14, 2022), <https://www.prnewswire.com/news-releases/b-riley-financial-issues-open-letter-to->

[core-scientific-investors-301703337.html](#)). In other words, in the past three and a half weeks, the Debtors' EBITDA has likely increased by more than \$48 million in just the first few weeks of the chapter 11 cases, which likely equates to an increase in the value of the Company in the hundreds of millions of dollars.

In light of the positive trajectory of the economy, generally, and interest rates and inflation, specifically, values are rapidly increasing, and equity holders are in dire need of representation in the chapter 11 cases. If the equity holders are denied representation, the cases will result in all of the represented stakeholders carving up the value of the Company among themselves to the detriment of equity holders.

I welcome the opportunity to discuss the position of the ad hoc group of equity holders and our correspondence to date.

Sincerely,

Ron

**Ron E. Meisler**  
Partner  
Skadden, Arps, Slate, Meagher & Flom LLP  
155 North Wacker Drive | Chicago | Illinois | 60606-1720  
[T: +1.312.407.0549](#) | [F: +1.312.407.8641](#) | [M: +1.312.282.1111](#)  
[ron.meisler@skadden.com](mailto:ron.meisler@skadden.com)

Skadden

---

**From:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>  
**Sent:** Tuesday, January 10, 2023 12:16 PM  
**To:** Madden, Jennifer (PAL) <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>; Meisler, Ron E (CHI) <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>  
**Cc:** Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>  
**Subject:** [Ext] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Jenn,

Thank you. We are reviewing the request. We are also seeking the position of the Debtors as well as the Unsecured Creditors Committee with respect to the request as well. We may have some follow-up questions as we work through this and will reach back out as necessary.

***Jayson B. Ruff***

Trial Attorney  
Office of the United States Trustee  
515 Rusk St., Suite 3516  
Houston, Texas 77002  
713-718-4662 (office)  
202-573-6960 (mobile)  
[jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)



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**From:** Madden, Jennifer <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>  
**Sent:** Tuesday, January 10, 2023 11:50 AM  
**To:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>; Meisler, Ron E <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>  
**Cc:** Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>  
**Subject:** [EXTERNAL] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Jayson, Alicia,

I hope you had a good weekend. We wanted to reach out and check in on whether you had any follow-up questions about the equity committee request or our letter. We are available at your convenience to provide any additional information or answer any questions you think may be helpful. We are getting a number of inquiries from equity holders who have voiced concerns about the chapter 11 cases, and in light of the upcoming final DIP hearing, we just wanted to reach out. Please don't hesitate to let us know if there is any additional information we can provide.

Best regards,  
Jenn

Jennifer Madden  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
525 University Avenue | Palo Alto | California | 94301-1908  
**T: +1.650.470.4658 | F: +1.650.798.6558**  
[jennifer.madden@skadden.com](mailto:jennifer.madden@skadden.com)

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**From:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>  
**Sent:** Friday, January 6, 2023 1:18 PM  
**To:** Meisler, Ron E (CHI) <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>; Madden, Jennifer (PAL) <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>  
**Cc:** Barcomb, Alicia (USTP) <[Alicia.Barcomb@usdoj.gov](mailto:Alicia.Barcomb@usdoj.gov)>  
**Subject:** [Ext] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Ron & Jennifer,

Confirming receipt of the request. We will review and let you know of any questions.

Kind regards,

***Jayson B. Ruff***

Trial Attorney  
Office of the United States Trustee  
515 Rusk St., Suite 3516

Houston, Texas 77002  
713-718-4662 (office)  
202-573-6960 (mobile)  
[jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)



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---

**From:** Meisler, Ron E <[Ron.Meisler@skadden.com](mailto:Ron.Meisler@skadden.com)>  
**Sent:** Friday, January 6, 2023 2:37 PM  
**To:** Ruff, Jayson B. (USTP) <[Jayson.B.Ruff@usdoj.gov](mailto:Jayson.B.Ruff@usdoj.gov)>  
**Cc:** Schrock, Ray <[Ray.Schrock@weil.com](mailto:Ray.Schrock@weil.com)>; 'Berkovich, Ronit' <[Ronit.Berkovich@weil.com](mailto:Ronit.Berkovich@weil.com)>; 'alfredo.perez@weil.com' <[alfredo.perez@weil.com](mailto:alfredo.perez@weil.com)>; 'moshe.fink@weil.com' <[moshe.fink@weil.com](mailto:moshe.fink@weil.com)>; Madden, Jennifer <[Jennifer.Madden@skadden.com](mailto:Jennifer.Madden@skadden.com)>  
**Subject:** [EXTERNAL] In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Dear Mr. Ruff,

Please see attached correspondence on behalf of the shareholders identified therein, requesting the appointment of an official committee of equity security holders in the Core Scientific chapter 11 cases. We are available to discuss at your convenience, including over this weekend. My and my colleague's contact information are below.

Best regards,  
Ron Meisler

**Ron E. Meisler**  
Partner  
Skadden, Arps, Slate, Meagher & Flom LLP  
155 North Wacker Drive | Chicago | Illinois | 60606-1720  
**T: +1.312.407.0549 | F: +1.312.407.8641 | M: +1.312.282.1111**  
[ron.meisler@skadden.com](mailto:ron.meisler@skadden.com)

Skadden

**Jennifer Madden**  
**Skadden, Arps, Slate, Meagher & Flom LLP**  
525 University Avenue | Palo Alto | California | 94301-1908  
**T: +1.650.470.4658 | F: +1.650.798.6558**  
[jennifer.madden@skadden.com](mailto:jennifer.madden@skadden.com)

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

**Exhibit 37**

**EXHIBIT D**

## Madden, Jennifer (PAL)

---

**From:** Ruff, Jayson B. (USTP) <Jayson.B.Ruff@usdoj.gov>  
**Sent:** Friday, January 20, 2023 12:52 PM  
**To:** Meisler, Ron E (CHI); Barcomb, Alicia (USTP)  
**Cc:** Madden, Jennifer (PAL)  
**Subject:** [Ext] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

Mr. Meisler,

Thank you for following up. I was intending to respond to the request earlier, but was tied up in Court this morning. The U.S. Trustee has evaluated the request and at this time and based on the present facts and circumstances of these cases, the U.S. Trustee is exercising his discretion to not appoint an Official Equity Committee.

We will be continuing to monitor these cases with the factors relevant to the appointment of an Equity Committee in mind. Should the U.S. Trustee decide to exercise his discretion to appoint an Official Equity Committee at a later date, we will reach back out to see if there is still interest from the members of your Ad-Hoc Group in serving on such a committee.

Kind regards,

***Jayson B. Ruff***

Trial Attorney  
Office of the United States Trustee  
515 Rusk St., Suite 3516  
Houston, Texas 77002  
713-718-4662 (office)  
202-573-6960 (mobile)  
[jayson.b.ruff@usdoj.gov](mailto:jayson.b.ruff@usdoj.gov)



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---

**From:** Meisler, Ron E <Ron.Meisler@skadden.com>  
**Sent:** Friday, January 20, 2023 1:43 PM  
**To:** Ruff, Jayson B. (USTP) <Jayson.B.Ruff@usdoj.gov>; Barcomb, Alicia (USTP) <Alicia.Barcomb@usdoj.gov>  
**Cc:** Madden, Jennifer <Jennifer.Madden@skadden.com>  
**Subject:** [EXTERNAL] RE: In re Core Scientific, Inc., et al., Case No. 22-90341 (DRJ) - Request for Appointment of Official Equity Committee

**Exhibit 38**

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
155 NORTH WACKER DRIVE  
CHICAGO, ILLINOIS 60606-1720

DIRECT DIAL  
+1 (312) 407-0549  
DIRECT FAX  
+1 (312) 407-8641  
EMAIL ADDRESS  
RON.MEISLER@SKADDEN.COM

TEL: (312) 407-0700  
FAX: (312) 407-0411  
[www.skadden.com](http://www.skadden.com)

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MUNICH  
PARIS  
SÃO PAULO  
SEOUL  
SHANGHAI  
SINGAPORE  
TOKYO  
TORONTO

January 23, 2023

**BY E-MAIL**

*Counsel to Core Scientific, Inc.*

Alfredo R. Perez  
Weil, Gotshal & Manges LLP  
700 Louisiana Street, Suite 1700  
Houston Texas 77002

Ray C. Schrock  
Ronit J. Berkovich  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153

RE: In re Core Scientific, Inc., et al., Case No. 22-90341  
(DRJ)—Appointment of an Official Committee of  
Equity Holders

Dear Messrs. Perez and Schrock, and Ms. Berkovich:

As you are aware, we represent an ad hoc group of equity security holders (the “**Ad Hoc Group**”) of Core Scientific, Inc. (“**Core Scientific**” or the “**Company**” and together with its subsidiaries and affiliates in the Chapter 11 Cases, the “**Debtors**”). As of today, the members of the Ad Hoc Group collectively own approximately 51,912,524 shares of the company’s common stock (representing approximately 13.9% of all issued and outstanding stock of the Company and

Alfredo R. Perez  
 Ray C. Schrock  
 Ronit J. Berkovich  
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 Page 2

approximately 19.4% of issued and outstanding common stock of the Company not held by insiders).<sup>1</sup>

As you are also aware, we sent a letter on January 6, 2023 to Mr. Jayson B. Ruff, the trial attorney representing the United States Trustee for Region 7 (the “U.S. Trustee”) in the Debtors’ pending chapter 11 cases (the “**Chapter 11 Cases**”), requesting the appointment of an official committee of equity security holders in the Chapter 11 Cases (the “**UST Letter**”), a copy of which was provided to you. We also engaged in subsequent correspondence with the U.S. Trustee regarding, among other things, the significant increase in the price of Bitcoin, the surge in values of companies comparable to the Debtors since the beginning of the year, and the significant increase in the amount of outstanding and issued common stock included in the Ad Hoc Group since the date of the UST Letter (an increase of nearly 50 million shares of common stock or more than 10% of the Company’s issued and outstanding common stock).

On Friday, January 20, 2023, the U.S. Trustee notified the Ad Hoc Group (by email addressed to Skadden) that the U.S. Trustee was exercising his discretion to decline our request to appoint an official committee of equity security holders in the Chapter 11 Cases, but noted that the U.S. Trustee would continue to monitor the cases.

The Ad Hoc Group continues to believe that equity is “in the money” and that equity holders have a substantial stake in the outcome of the Chapter 11 Cases, and therefore, equity holders deserve meaningful representation in the Chapter 11 Cases. Indeed, the Debtors’ own representations establish that the Company’s common stock holds real value. Specifically, the Debtors reported positive stockholder equity of approximately \$73 million in their most recent balance sheet,<sup>2</sup> the First Day Declaration of the Company’s CEO indicates that assets exceed liabilities by at least \$100 million,<sup>3</sup> and the Debtors have unilaterally proposed a distribution to stockholders in these Chapter 11 Cases<sup>4</sup> that they describe as a

<sup>1</sup> Based on public filings, we believe approximately 107.03 million shares of the Company’s common stock are currently held by insiders, representing approximately 28.6% of all issued and outstanding shares of common stock of the Company.

<sup>2</sup> Core Scientific, Inc., Quarterly Report (Form 10-Q) at 4 (Nov. 22, 2022) (balance sheet as of September 30, 2022).

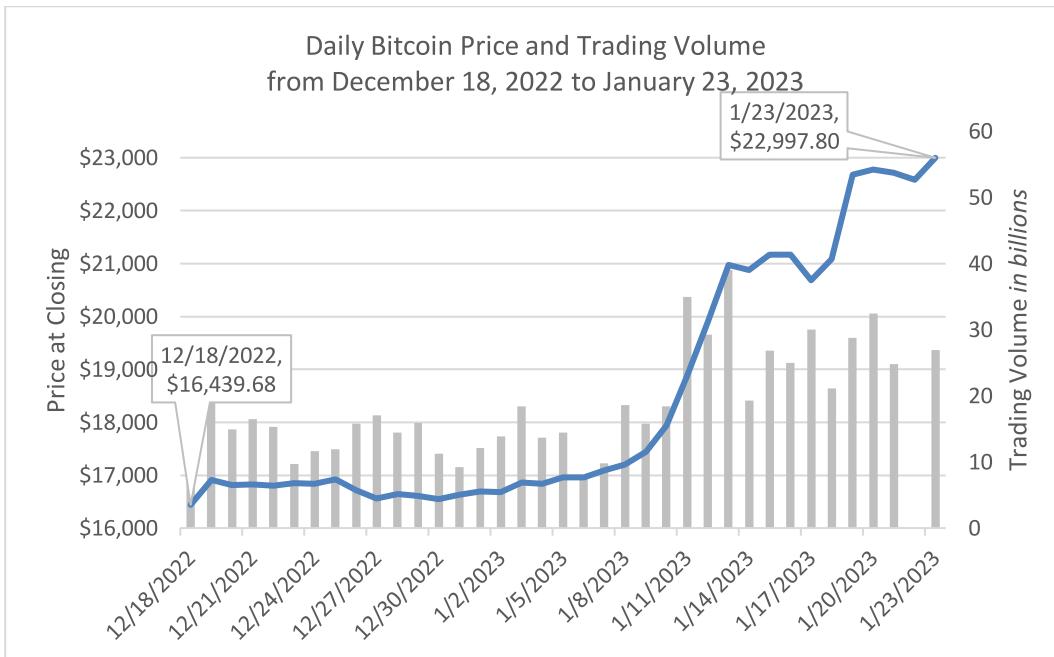
<sup>3</sup> Attachment to Voluntary Pet. of Core Scientific, Inc., ¶ 2, Docket No. 1; First-Day Decl. ¶ 63.

<sup>4</sup> See Docket No. 72, Restructuring Support Agreement Ex. A, at 11–12.

Alfredo R. Perez  
 Ray C. Schrock  
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 Page 3

“meaningful recover[y]” for stockholders.<sup>5</sup> In addition, the price of Bitcoin and the value of companies comparable to the Debtors continue to surge, indicating a significant increase in the value of Debtors’ estates since the Petition Date for the benefit of the Company’s equity security holders.

Specifically, since December 18, 2022, just days leading up to the Debtors’ chapter 11 filings, the price of Bitcoin has increased from \$16,439.68 (at market close) to \$22,997.80 (at market close today)—a price increase of more than 38 percent.

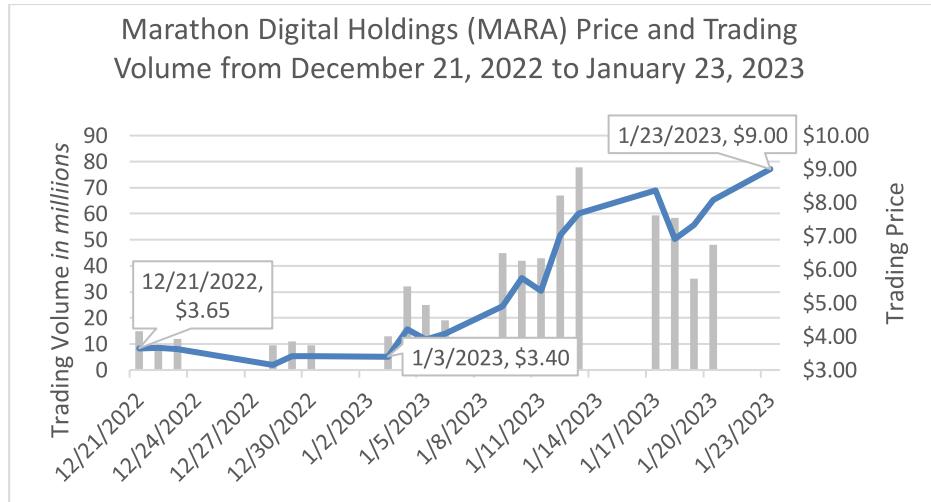


In addition to the foregoing, the Ad Hoc Group has been monitoring the trading prices of several of the Company’s competitors. As reflected in the charts below, trading prices for these comparable companies have doubled, or even tripled, in the first few weeks of 2023.

<sup>5</sup> First-Day Decl. ¶ 15.

Alfredo R. Perez  
 Ray C. Schrock  
 Ronit J. Berkovich  
 January 23, 2023  
 Page 4

The price of **Marathon Digital Holdings**, a cryptocurrency mining company headquartered in Las Vegas, increased from \$3.40 on the first day of trading in 2023 to \$9.00 today, January 23, 2023—a 165% increase in less than three weeks.<sup>6</sup>

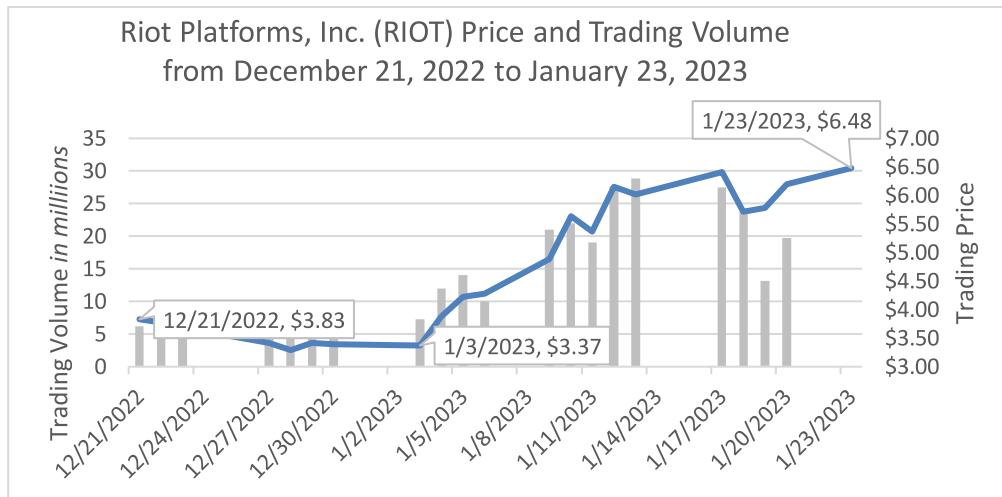


The price of **Riot Platforms, Inc.**, a Bitcoin mining company headquartered in Colorado, increased from \$3.37 on the first day of trading in 2023 to \$6.48 today, January 23, 2023—a 92% increase in less than three weeks.<sup>7</sup>

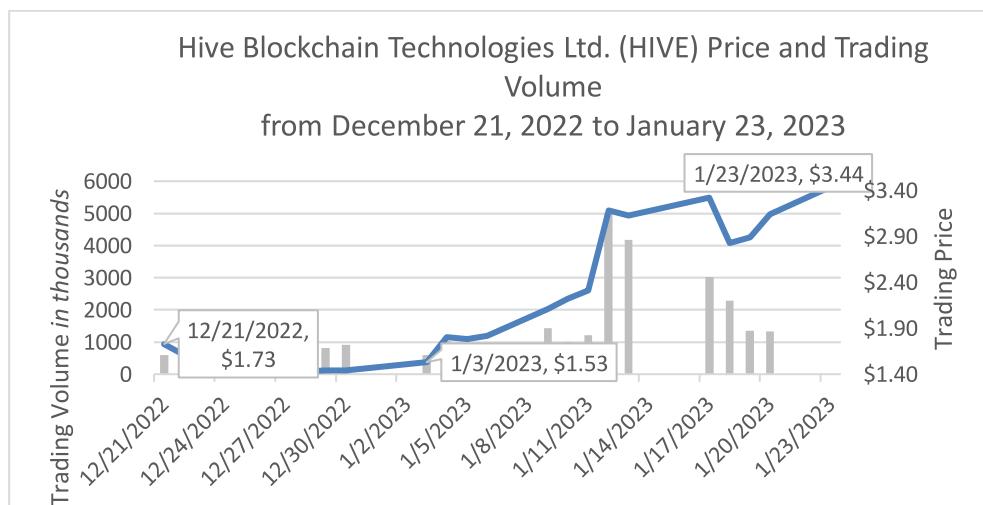
<sup>6</sup> *Marathon Digital Holdings, Inc.*, Yahoo! Finance, <https://finance.yahoo.com/chart/MARA/> (last visited Jan. 23, 2023).

<sup>7</sup> *Riot Platforms, Inc.*, Yahoo! Finance, <https://finance.yahoo.com/chart/RIOT/> (last visited Jan. 23, 2023).

Alfredo R. Perez  
 Ray C. Schrock  
 Ronit J. Berkovich  
 January 23, 2023  
 Page 5



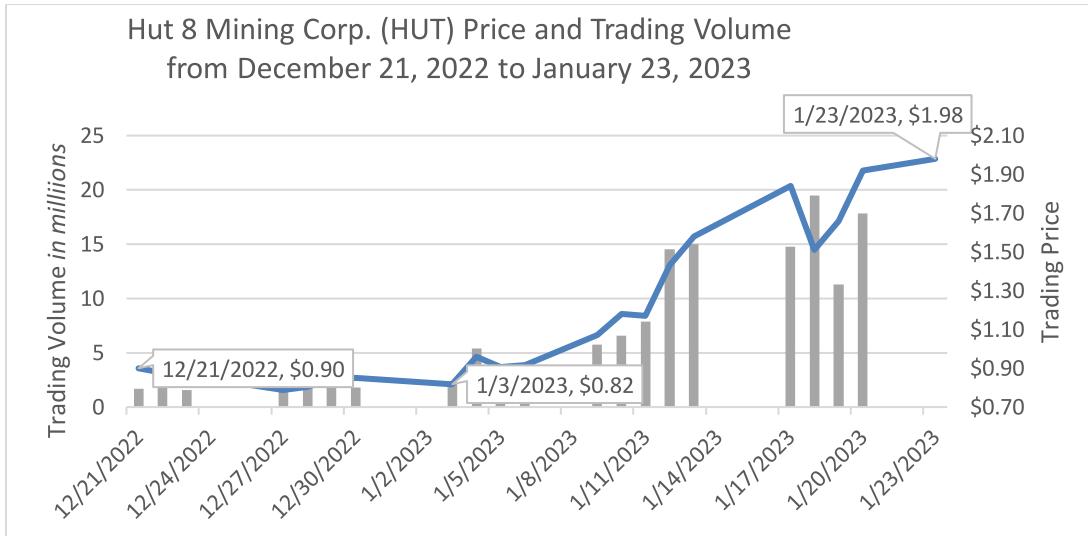
The price of **HIVE Blockchain Technologies Ltd.**, a cryptocurrency mining company headquartered in Vancouver, increased from \$1.53 on the first day of trading in 2023 to \$3.44 today, January 23, 2023—a 125% increase in less than three weeks.<sup>8</sup>



<sup>8</sup> *HIVE Blockchain Technologies Ltd.*, Yahoo! Finance, <https://finance.yahoo.com/quote/HIVE/chart/> (last visited Jan. 23, 2023).

Alfredo R. Perez  
 Ray C. Schrock  
 Ronit J. Berkovich  
 January 23, 2023  
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The price of **Hut 8 Mining Corp.**, a Bitcoin mining company based in Toronto, increased from \$0.82 on the first day of trading in 2023 to \$1.98 today, January 23, 2023—a 142% increase in less than three weeks.<sup>9</sup>



The Debtors pointed to the transitory decline in the price of Bitcoin in both their First Day Declaration<sup>10</sup> and their first day hearing,<sup>11</sup> as well as certain other temporary macroeconomic factors,<sup>12</sup> as the leading cause of the Debtors' financial decline and decision to seek chapter 11 relief.

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<sup>9</sup> *Hut 8 Mining Corp.*, Yahoo! Finance, <https://finance.yahoo.com/chart/HUT/> (last visited Jan. 23, 2023).

<sup>10</sup> *Declaration of Michael Bros in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [D.I. 5] (the "First Day Declaration") ¶ 6, 22-23, 65-67.

<sup>11</sup> *See In re Core Scientific, Inc.*, No. 22-90341 (DRJ) (Bankr. S.D. Tex. Dec. 22, 2022), Hrg Tr. at 10:23-24, 32:6-8.

<sup>12</sup> *See* First Day Declaration ¶ 76 (referencing energy prices, inflation, and supply chain interruptions between July 2022 and September 2022).

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The surge in value of Bitcoin and the Debtors' competitors illustrate that these macroeconomic factors are trending in a favorable, value-accretive direction.<sup>13</sup> Indeed, B. Riley's open letter to the Company's shareholders and lenders, and as we highlighted in the UST Letter, noted that every \$1,000 increase in the price of Bitcoin would likely increase EBITDA by \$20 million.<sup>14</sup> In other words, the Debtors' EBITDA has likely increased by more than \$131 million in just the first month of the chapter 11 cases, which the Ad Hoc Group believes equates to an increase in the value of the Company in the hundreds of millions of dollars.

In light of the positive trajectory of the economy and the rapidly increasing value of the Debtors' estates, the equity security holders are in need of adequate and independent representation in the Chapter 11 Cases now. To that end, the Ad Hoc Group has instructed us to file a motion seeking appointment of an official equity committee in the Chapter 11 Cases. We intend to file a motion asking the bankruptcy court to appoint an equity committee by the end of the week.

In advance of filing and prosecuting this motion, however, we are reaching out to note that the Ad Hoc Group is open to discussing a consensual resolution with the Company for the appointment of an official equity committee, including defining the scope of an official equity committee's role in the Chapter 11 Cases and agreeing upon a reasonable budget. We hope you agree that our rationale is sound for the formation of an equity committee notwithstanding the US Trustee's decision, and we would appreciate your support. If we reach a consensual agreement now, then we can avoid unnecessary expenses and file a joint motion with agreed terms, with the objective of having an official committee appointed efficiently and expeditiously.

<sup>13</sup> Undoubtedly, the value of a company's stock is a strong indication of value. See, e.g., *VFB LLC v. Campbell Soup Co.*, No. 02-137 KAJ, 2005 WL 2234606, at \*22 (D. Del. Sept. 13, 2005), aff'd, 482 F.3d 624 (3d Cir. 2007), and aff'd, 482 F.3d 624 (3d Cir. 2007) ("The price of a company's publicly traded common stock at the time of the transaction is presumably an ideal data point for the determination of fair market value. Specifically, with respect to stock traded on 'the New York Stock Exchange, one of the most efficient capital markets in the world,' the value established on the open market is the fair market value for purposes of determining reasonably equivalent value, [i]n the absence of any evidence of manipulation or bad faith."") (quoting *PHP Liquidating, LLC v. Robbins (In re PHP Healthcare Corp.)*, 128 Fed. Appx. 839, 848 (3d Cir. 2005)).

<sup>14</sup> Press Release, B. Riley Financial, *B. Riley Financial Issues Open Letter to Core Scientific Investors* (Dec. 14, 2022), <https://www.prnewswire.com/news-releases/b-riley-financial-issues-open-letter-to-core-scientific-investors-301703337.html>.

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Given the matters discussed herein, we would ask that you also immediately share this letter with the full Board of Directors of Core Scientific.

Sincerely,



Ron E. Meisler

CC:  
George N. Panagakis  
Jennifer Madden